



**Allison Giroux
On Behalf of the
Connecticut Council of Small Towns
Before the Finance Committee
March 11, 2013**

Testimony in support of HB 6577: An Act Concerning the Real Estate Conveyance Tax

The Connecticut Council of Small Towns (COST) **supports** HB-6577 which clarifies that the real estate conveyance tax is applicable to an entire land transaction. This issue is one of COST's top priorities this session.

As the law currently stands, real estate developers may sell land in a separate transaction from the sale of the residence built on the land in order to reduce the liability of the of the real estate conveyance tax.

HB-6577 would help close this loophole. HB-6577 clarifies that the real estate conveyance tax is applicable to the full value of a parcel of residential property and of the home constructed on that property when the property and home are sold to the new owner or owners. COST believes this revision is consistent with the purpose and intent of the act authorizing the real estate conveyance tax and will ensure that municipalities receive all revenues properly due.

Given that state aid to municipalities has been flat funded for more than a decade, the real estate conveyance tax is a vital source of revenue that has helped reduce the need for steep hikes in property taxes and/or cuts in critical services to residents.

Therefore, COST strongly supports HB-6577.